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6 July 1962

# CURRENT INTELLIGENCE WEEKLY SUMMARY

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APPROVED FOR RELEASE  
DATE: OCT 2004



CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE

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THE WEEK IN BRIEF  
(Information as of 1200 EDT 5 July)

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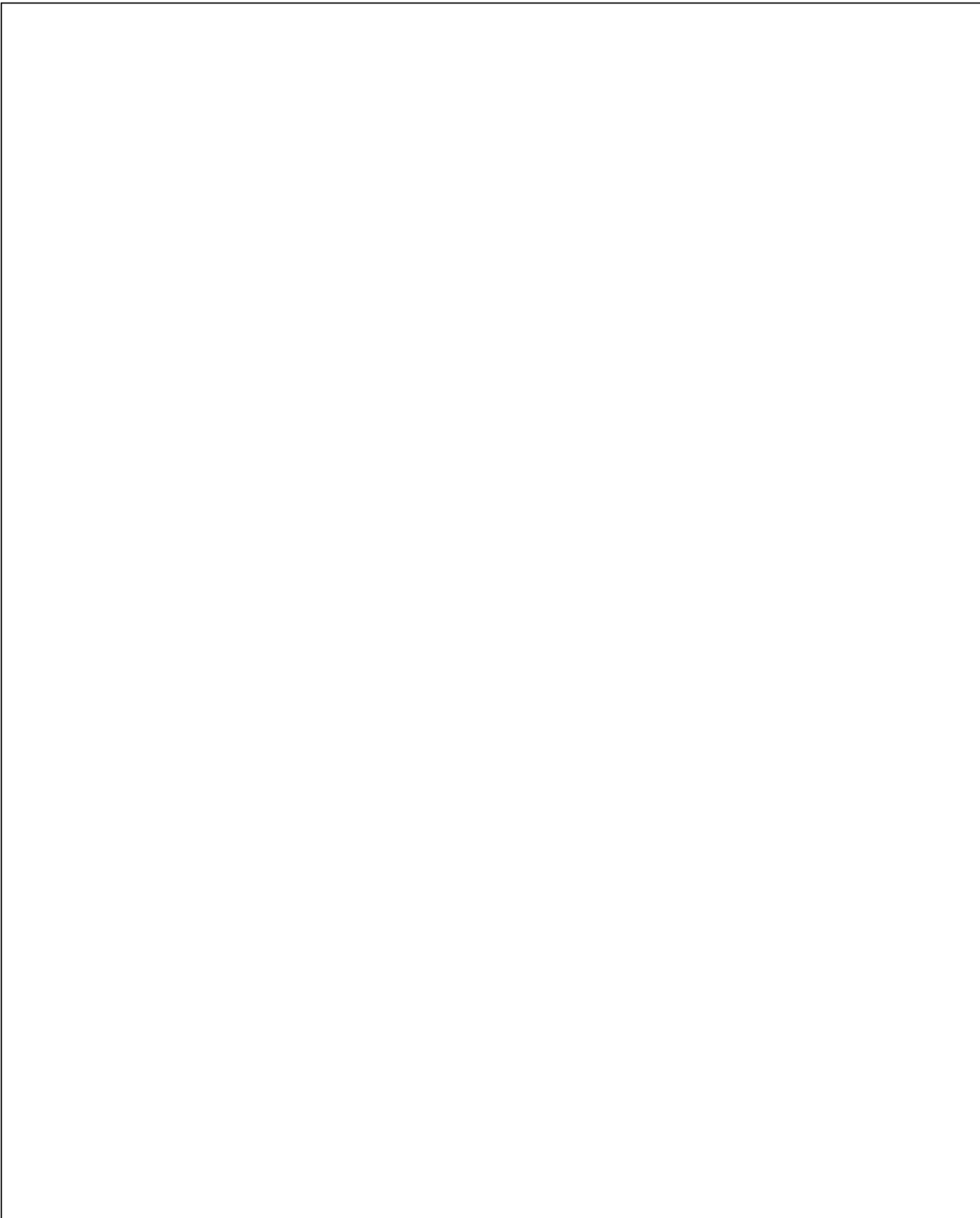
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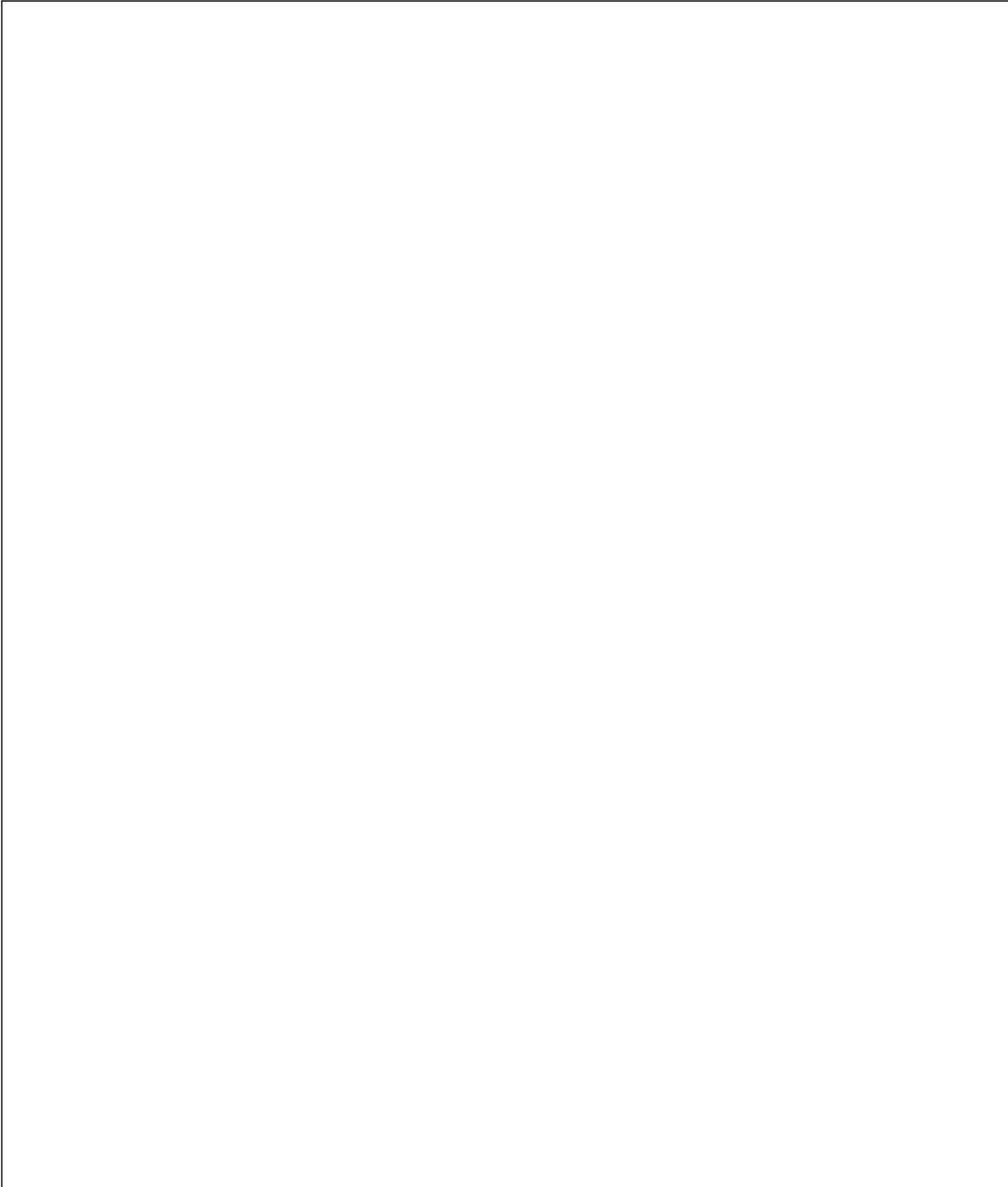
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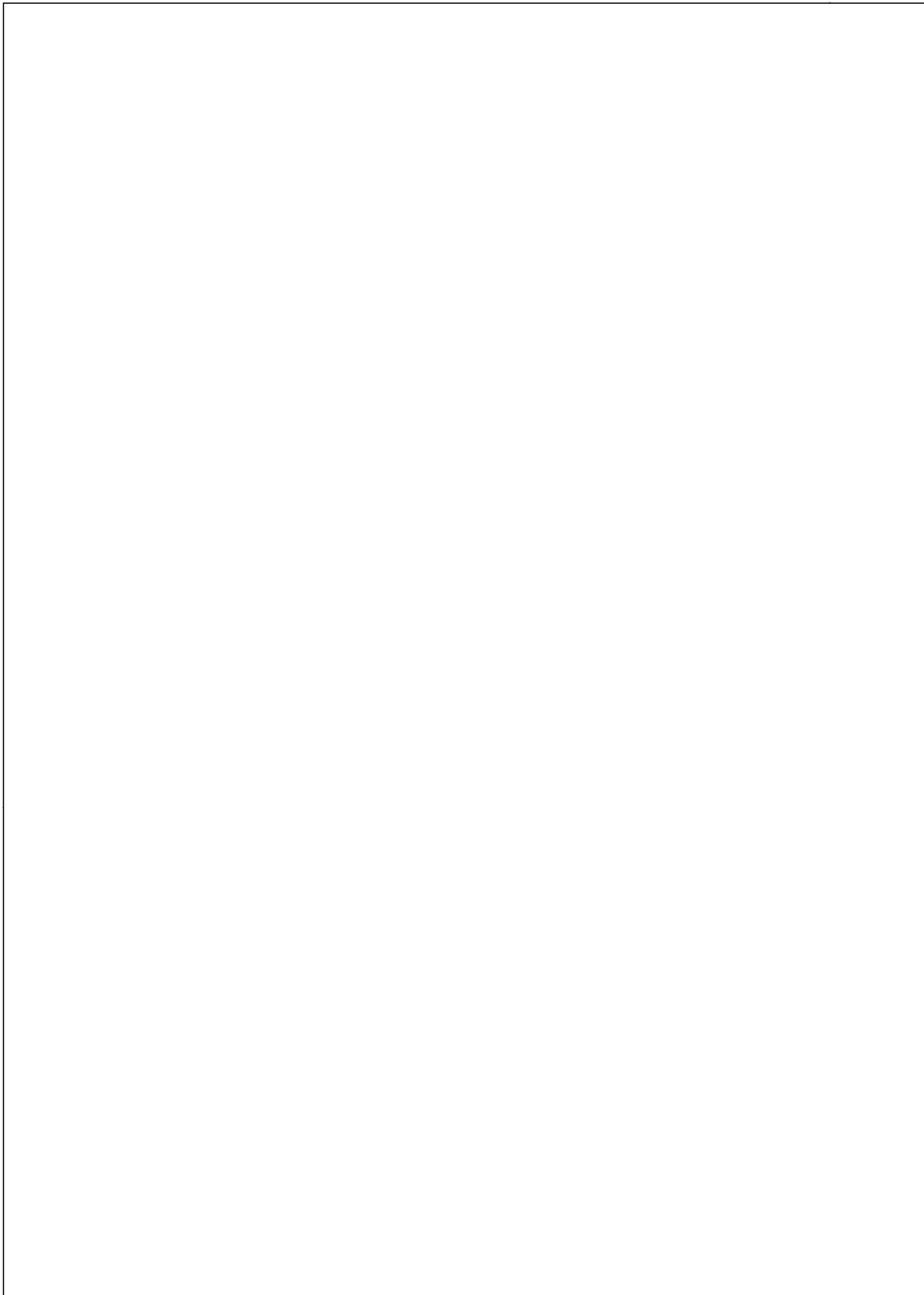


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out comment the US announcement that 1,000 US marines will be withdrawn from Thailand.

Pushkin, however, told the British delegate that the most difficult question to be resolved at Geneva is the integration of rival Laotian military forces. His claim that this was an internal Laotian matter was consistent with the position taken by the Communist delegations last year opposing Western proposals that the International Control Commission supervise the integration and demobilization of Laotian forces.

Berlin and Germany

At a 4 July reception for Austrian Chancellor Gorbach, Khrushchev reaffirmed that agreement on a German settlement can and should be reached in the near future. He warned of the dangers in postponing this issue and said, "There is no getting away from the overdue problems of a German peace settlement and a German peace treaty." In his 4 July congratulatory message to President Kennedy, Khrushchev expressed hope that joint US-Soviet efforts will eventually succeed in ensuring peace and eliminating the danger of war.

Ulbricht's 27 June speech to an East German Communist central committee plenum provided further evidence that bloc leaders wish to continue the bilateral discussions with the US. Ulbricht attacked Adenauer and other West German "revanchists" for launching a "bitter struggle" against an understanding between the US and the Soviet Union on a German peace settlement. He claimed that Adenauer not only is intent on disturbing the bilateral talks between the US and the Soviet Union but actually "supports the opponents of President Kennedy." Ulbricht also rejected the idea of a four-power conference to deal with the recent border incidents in Berlin, as set forth in the Western notes to the USSR of 25 June.

Laos

The Soviet leaders appear to anticipate an early and successful conclusion of the Geneva conference on Laos which reconvened on 2 July. In his speech that day and again on 4 July, Khrushchev cited the Laos coalition agreement as evidence that "mutually acceptable solutions" can be found for other questions provided there is good will on all sides.

Prior to the resumption of the conference, Soviet delegate Pushkin told the British ambassador in Moscow that he anticipated no difficulties and looked forward to an early agreement. Pushkin also indicated to British delegate Macdonald in Geneva on 1 July that the Soviets were prepared to close out the conference in eight to ten days. He said he would not introduce any new issues, but hedged on the question of US troops in Thailand.

At the opening session, Pushkin and the Polish delegate made only perfunctory references to this issue, mainly for the record, and gave no indication that the USSR would make withdrawal of American forces from Thailand a condition for signing the Geneva accords. TASS reported with-

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Pravda on 2 July carried a TASS report from Warsaw on Gomulka's interview with Life magazine last November. This interview, which was never published by Life, appeared in the Polish Communist party paper Trybuna Ludu on 1 July. Gomulka urged closer relations between the US and the Soviet Union and maintained that only through a Soviet-American agreement can outstanding international issues be solved and war averted. The Polish party boss concluded his review of the major East-West problems with the comment that the "time is indeed ripe" for a "constructive solution" of the German question.

However, Gomulka noted that the Socialist countries, anxious to conclude a peace treaty with both East and West Germany, are being forced to choose a "worse alternative"--a separate peace treaty with East Germany. Gomulka repeated the standard Communist position on the Berlin "free city" concept and claimed that the "right of access" to West Berlin ought to be fully guaranteed to all countries.

In this connection, Gomulka remarked that "should the Western powers insist on keeping their troops in West Berlin, nothing will hinder it." The timing of the publication of Gomulka's remarks on this question reflects Moscow's desire to assure the West that some compromise on the issue of Western troop presence in West Berlin is possible.

In his 27 June call [redacted]

[redacted] SO-  
viet Commandant General Solovye  
described relations between himself and the US commandant as "abnormal" but repeated his previous position that civilian advisers accompanying the US Berlin commandant on visits to East Berlin would have to show their identification in accordance with East German

regulations. Toward the end of the conversation, which was described [redacted] as "particularly cordial," Solovye commented that the four Berlin commandants should get together more often and that they could do much to minimize tension and prevent incidents.

President Kennedy's Visit  
to Mexico

Soviet propaganda gave only moderate attention to President Kennedy's trip to Mexico, emphasizing that the country's traditional policy of "nonintervention" in the internal affairs of other states obviously displeased the US. Moscow attempted to brand the trip a failure because of the Mexican Government's refusal to endorse US policy toward Cuba. TASS alleged that Mexico refused to join the US in preparing for a new invasion of Cuba under the "flag of collective action" of Latin American countries.

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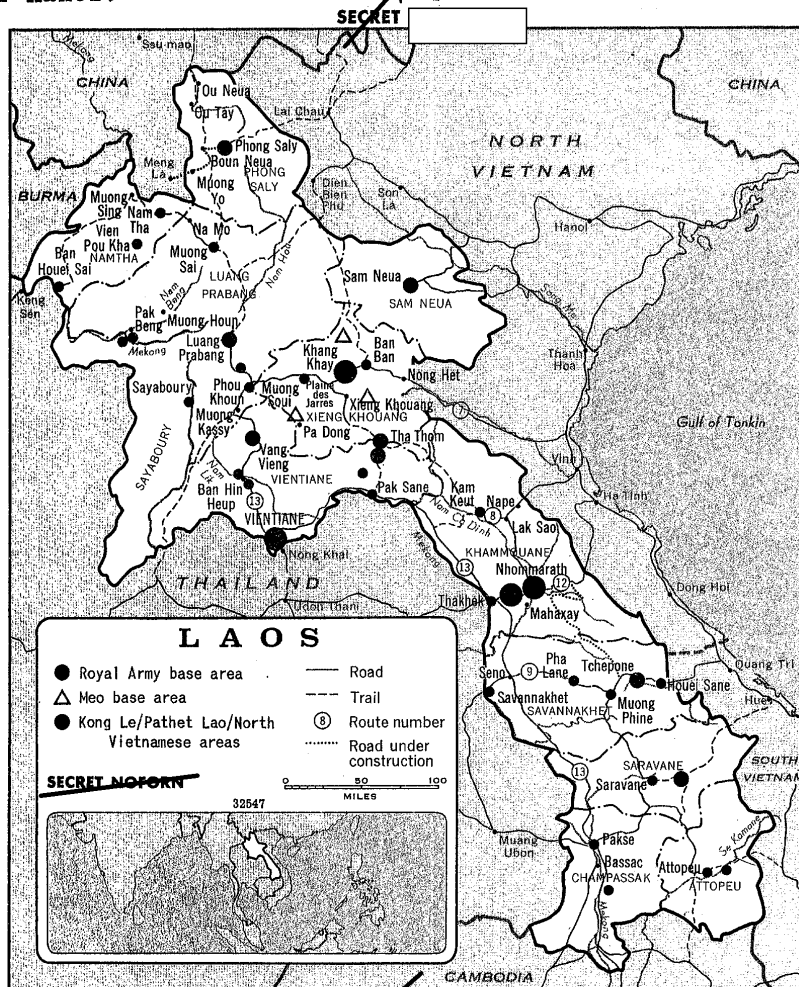
### LAOS

Working relations in Laos' coalition cabinet between Deputy Premiers Phoumi and Souphannouvong have been generally smooth thus far. Each is taking a cautious approach toward integration with a view to protecting his separate political and military structure. Souvanna's neutralist group, on the other hand, wishes to establish its authority throughout the country as soon as possible. Phoumi says he is more than ever convinced that the Communists are trying to use Souvanna as a Trojan horse. He notes that high-level Pathet Lao leaders who function as Souphannouvong's mentors and advisers are remaining in Sam Neua or Hanoi.

The new government, with Souphannouvong as acting premier, has moved to set up a cease-fire committee and committees for military and administrative unification. In accordance with the "troika" formula adopted at the Plaine des Jarres, the committees are composed of representatives of the three factions.

#### Geneva Conference

At Geneva, key figures have expressed the hope that the conference on Laotian neutrality, reconvened on 2 July, will reach an early conclusion. Soviet cochairman Pushkin said on 1 July that he was not planning to introduce any new



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issues and that the USSR was prepared to conclude the conference in eight to ten days. Souvanna has mentioned the possibility of a "mid-July" conclusion.

There are indications, however, that Communist delegations to the conference will strongly oppose any reference in the final agreements to the integration and demobilization of the rival forces. The bloc delegations at the opening session on 2 July expressed adamant opposition to any Laotian commitment, claiming that these were internal matters. On the same day, a Chinese Communist journalist, presumably speaking with the knowledge of the delegation, stated that Peiping would not accept any discussion of internal problems and specifically mentioned armed forces integration.

On the question of SEATO, Souvanna told Pushkin and British cochairman MacDonald on 4 July that a specific denunciation of the "umbrella clause" could be eliminated from the neutrality declaration if the member nations took formal notice of the Laotian Government's desire to renounce the protection of military alliances.

International Relations

The coalition government, in implementing its declared policy of extending recognition to all countries, has once again brought into question the international legal status of the divided nations. It announced its intention to establish diplomatic relations with East Germany, Communist China, and North Vietnam; Laos already has ties with their non-Communist counterparts.

Laotian recognition would constitute a major step in East Germany's campaign to achieve international standing. Laos would be the second nonbloc--

but first non-Communist--nation to enter into full diplomatic relations; Yugoslavia took this step in 1957. This would probably encourage party boss Ulbricht to intensify pressure on other neutralist nations to adopt the "Laos formula." West Germany, adhering to the "Hallstein doctrine," would in all likelihood withdraw its representation should East Germany and Laos establish full diplomatic relations.

A similar situation obtains with regard to Chinese representation in Vientiane. Both Peiping and Taipei have refused to accept concurrent diplomatic representation, each regime being strongly opposed to any "two China" concept.

The recognition of North Vietnam may give rise to problems which could directly affect the settlement of the Laotian question. It is possible that South Vietnam--adamantly opposed to equality of representation--may make its signature of the Geneva accords conditional upon Laotian refusal to grant full diplomatic recognition to the Hanoi regime.

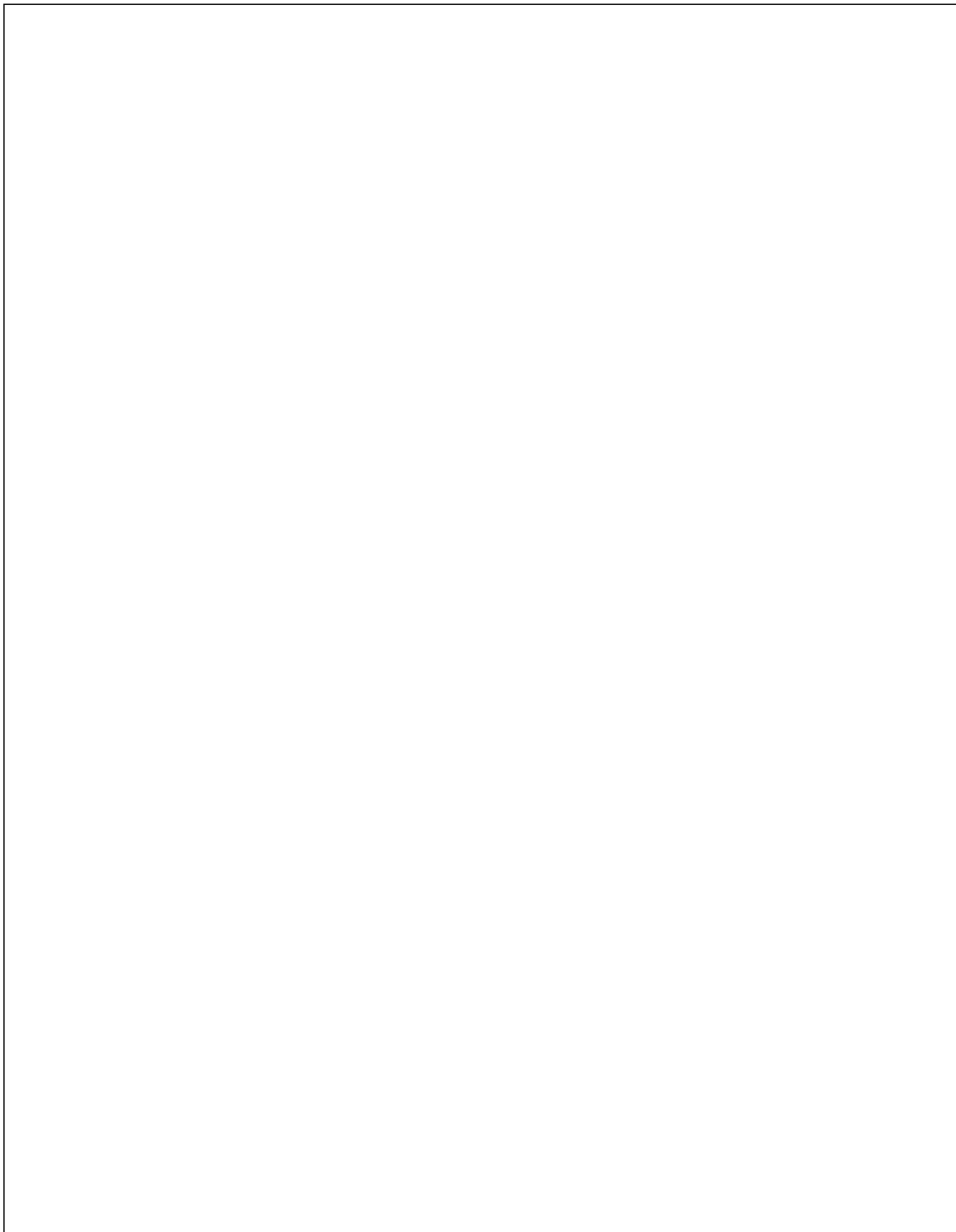
North Vietnamese Troops

The chief of the US Military Assistance Advisory Group has received unconfirmed reports that North Vietnamese troops may have begun leaving Laos. According to these reports, four North Vietnamese battalions withdrew from the Mahaxay area on 28 May and additional North Vietnamese were flown out of Nam Tha on 12 June. The reports did not indicate destinations.

While the North Vietnamese now may be planning a withdrawal, there is no firm evidence that any troops have actually left. The first few weeks after the signing of the new Geneva agreement on Laos would probably be the period chosen for such a movement.

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WEST NEW GUINEA

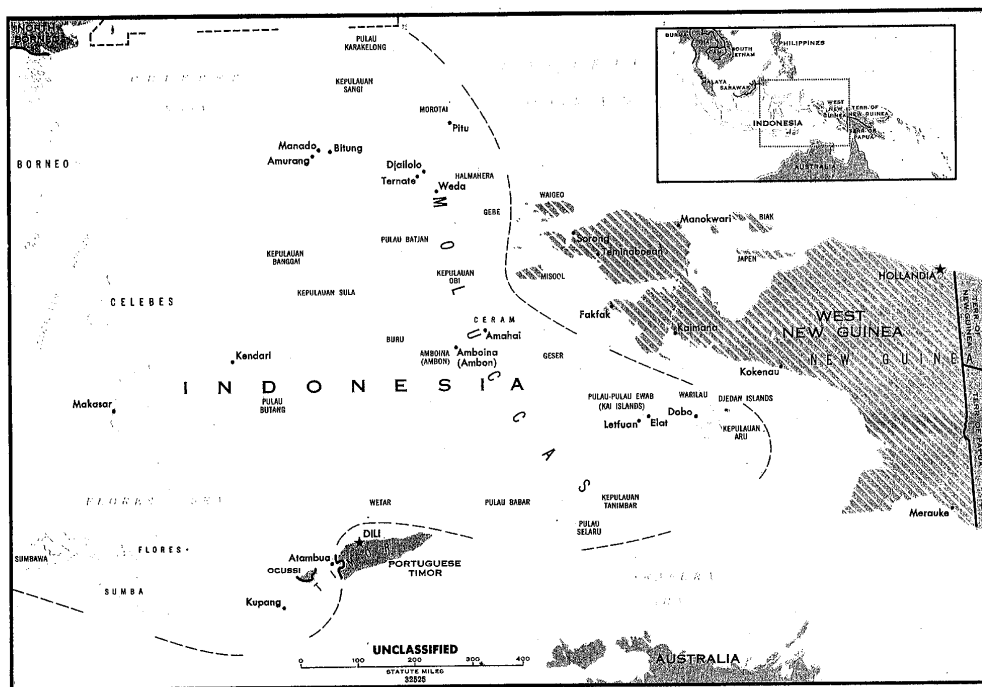
President Sukarno announced publicly on 3 July his readiness to resume preliminary talks with the Dutch on the West New Guinea dispute. Foreign Minister Subandrio earlier had assured the US ambassador in Djakarta that the Indonesian delegate, Adam Malik, could be in Washington for such discussions by 9 July. In line with Sukarno's demand for the transfer of West New Guinea's administration to Indonesia during 1962, Subandrio said he hoped the transfer could be accomplished in less than the two-year period envisaged in the Bunker proposals. Subandrio also said he hoped the Dutch would not request a "cease-fire" in New Guinea while the talks are in progress and stressed that the discussions could break down on this issue.

[redacted] even while preparing to resume talks, Indo-

Subandrio stated in mid-June that if negotiations should collapse, Indonesia would declare war on the Netherlands. Present larger scale preparations may be premised on that eventuality. He assured Ambassador Jones that no major activity would occur while talks are in progress but stated, in effect, that infiltration operations will continue even if discussions are resumed. First Minister Djuanda told Jones on 26 June he thought the West New Guinea situation would not be solved by either peaceful or military means but by a mixture of both.

Paratroops were dropped on 24 June at Merauke, and on 28 June supplies were dropped to infiltrators north of Kaimana.

There is no evidence that the most recent Indonesian paratroop drops have lessened Dutch readiness to resume negotiations.



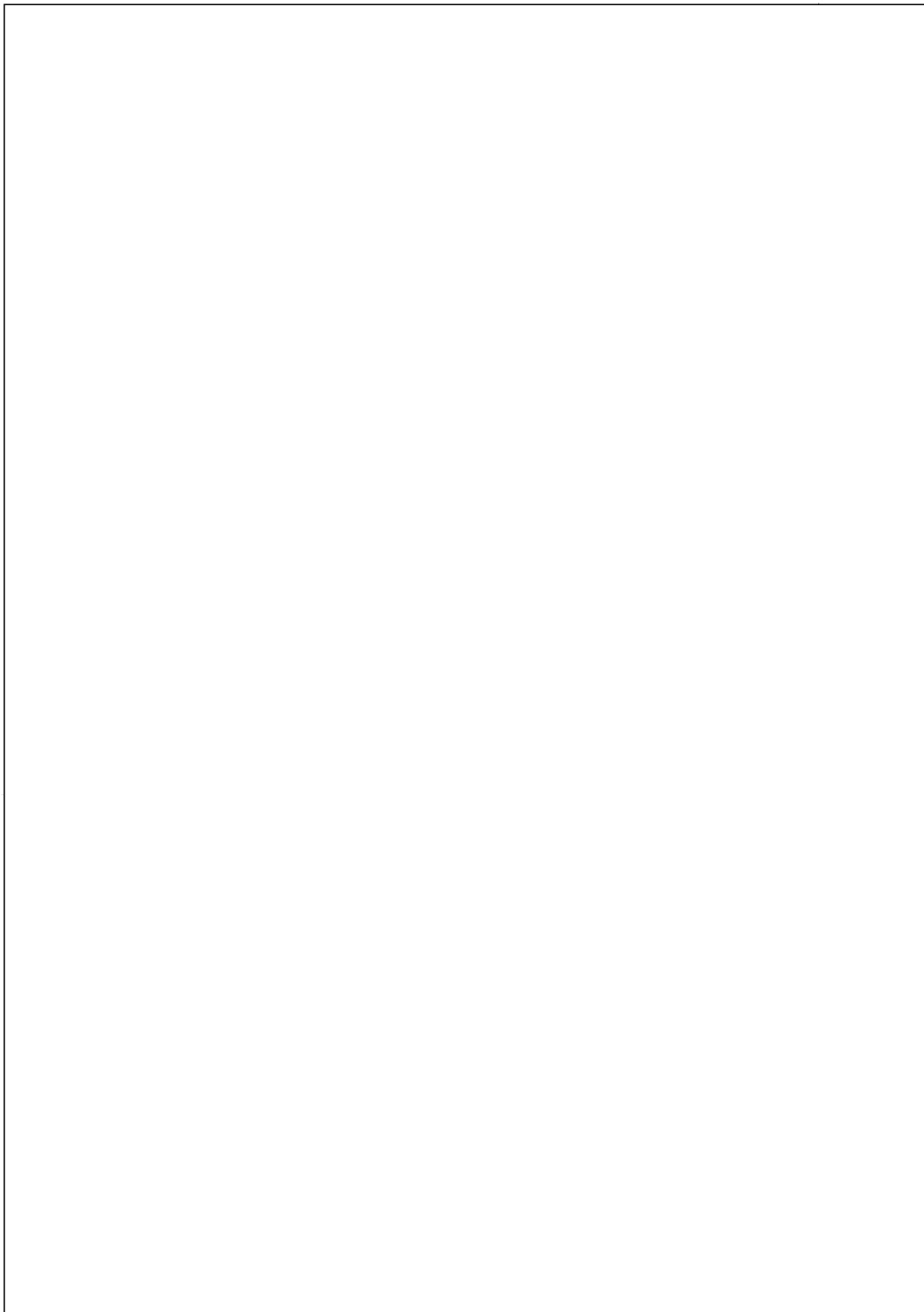
nesia is continuing preparations for expanded military operations in West New Guinea. The Dutch estimate that by mid-July Indonesia will possess the full capability to stage an amphibious attack with a force totaling approximately 2,500 men, and to make airborne attacks, spread over a few days, utilizing another 2,500.

Dutch [redacted] estimates of the rapid Indonesian military build-up and increasing capabilities have given the government little ground for considering a prolonged resistance. Public opinion in the Netherlands continues to support the government's efforts toward a peaceful solution and is unlikely to endorse the prospect of a last-ditch military stand.

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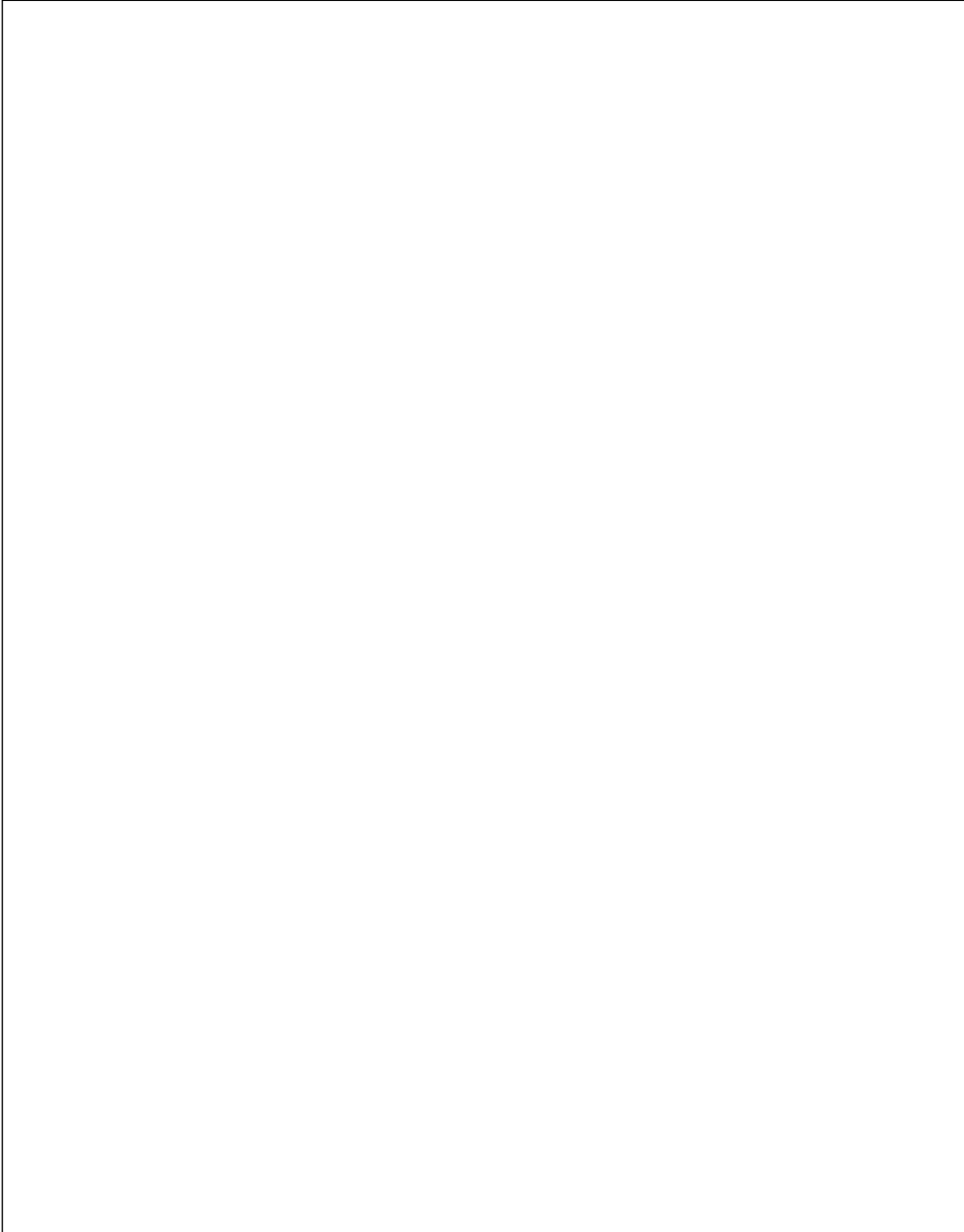
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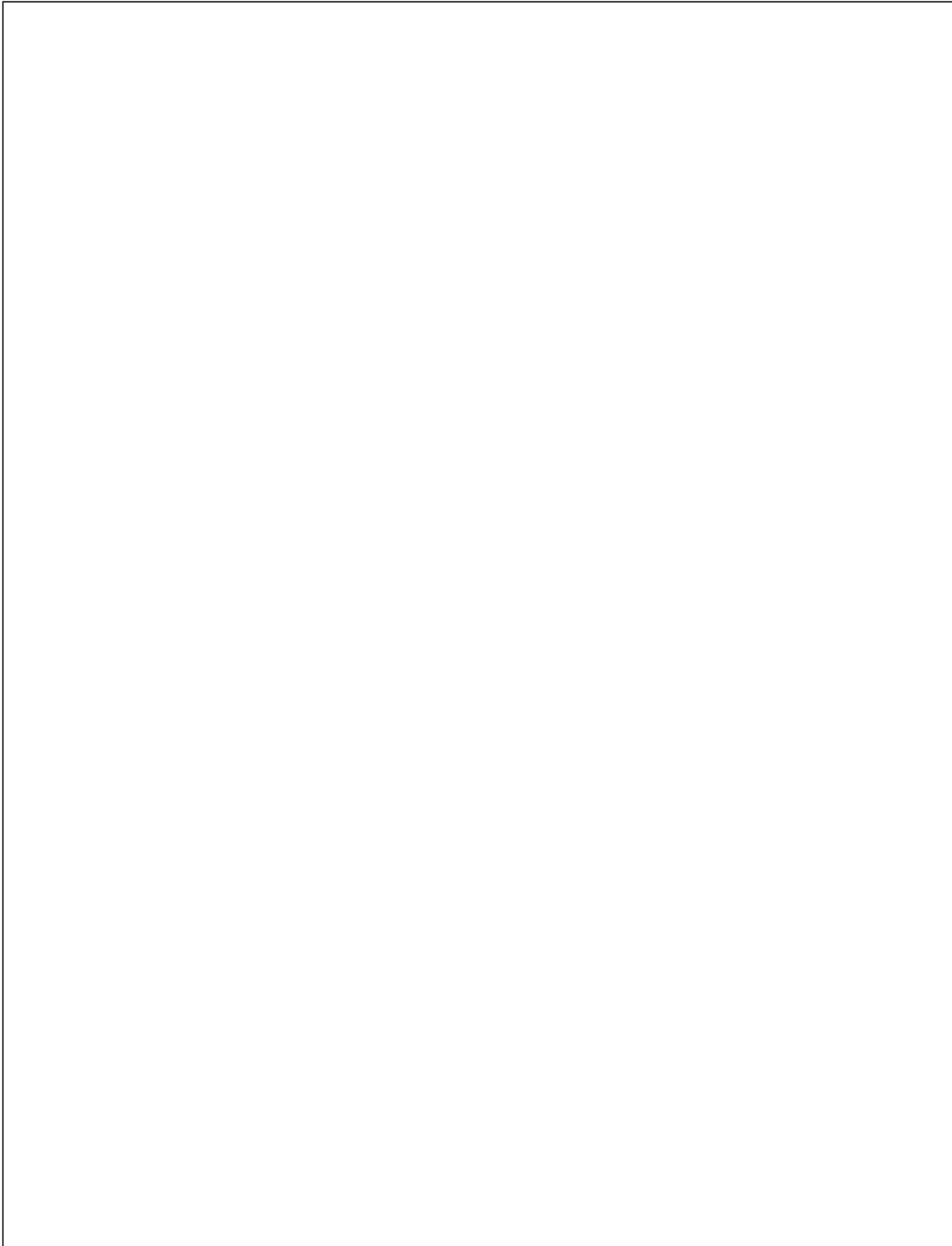
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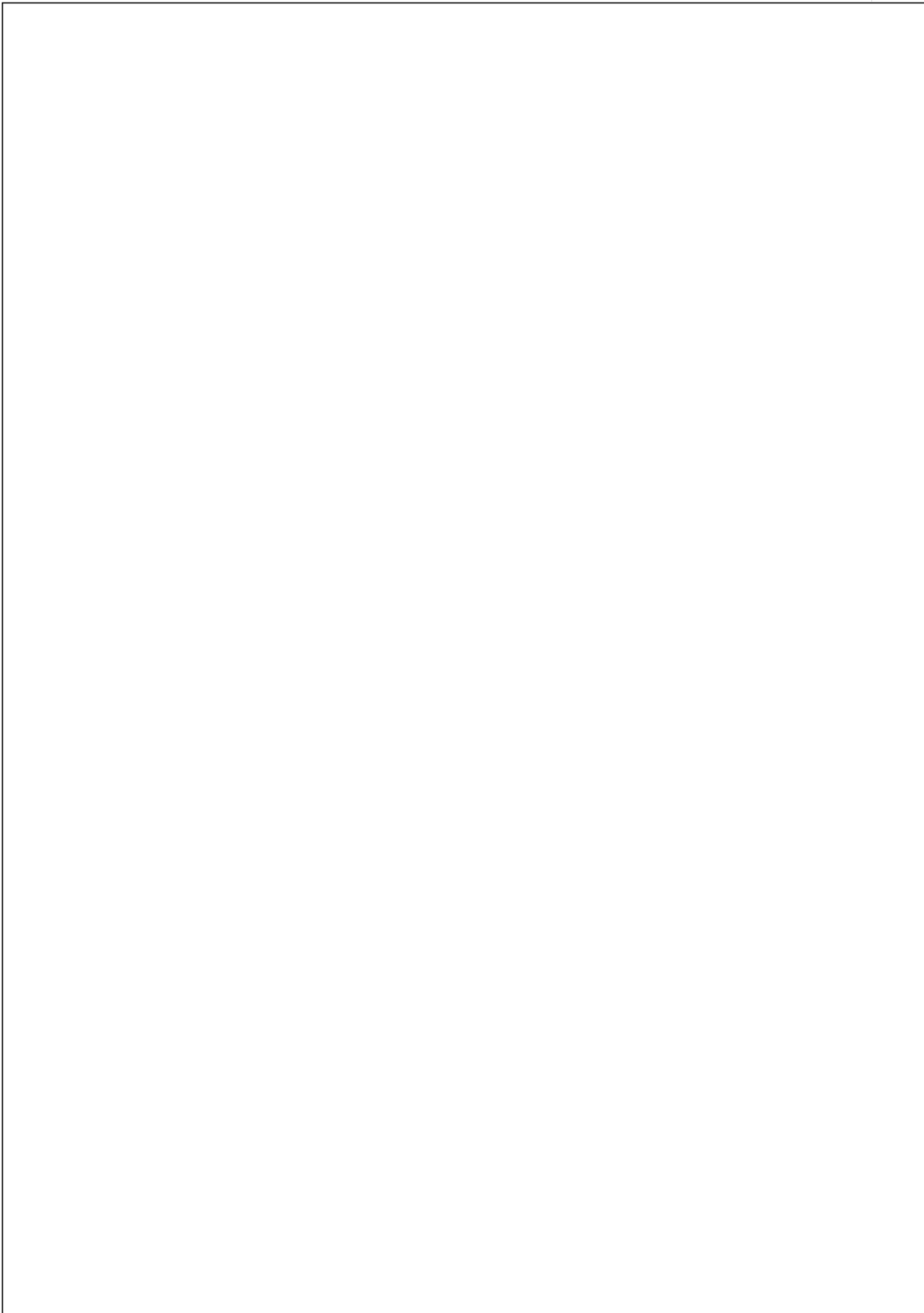
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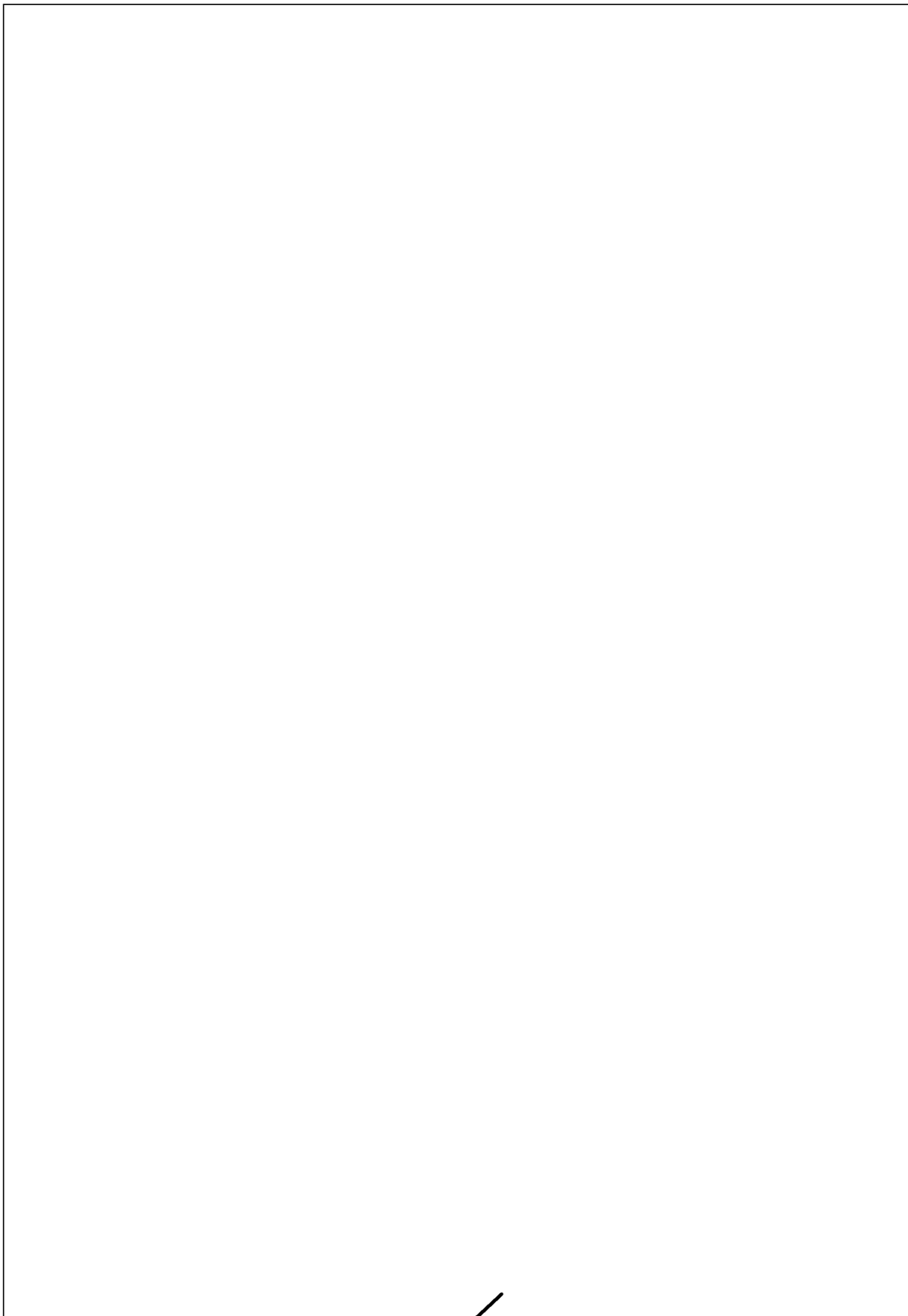
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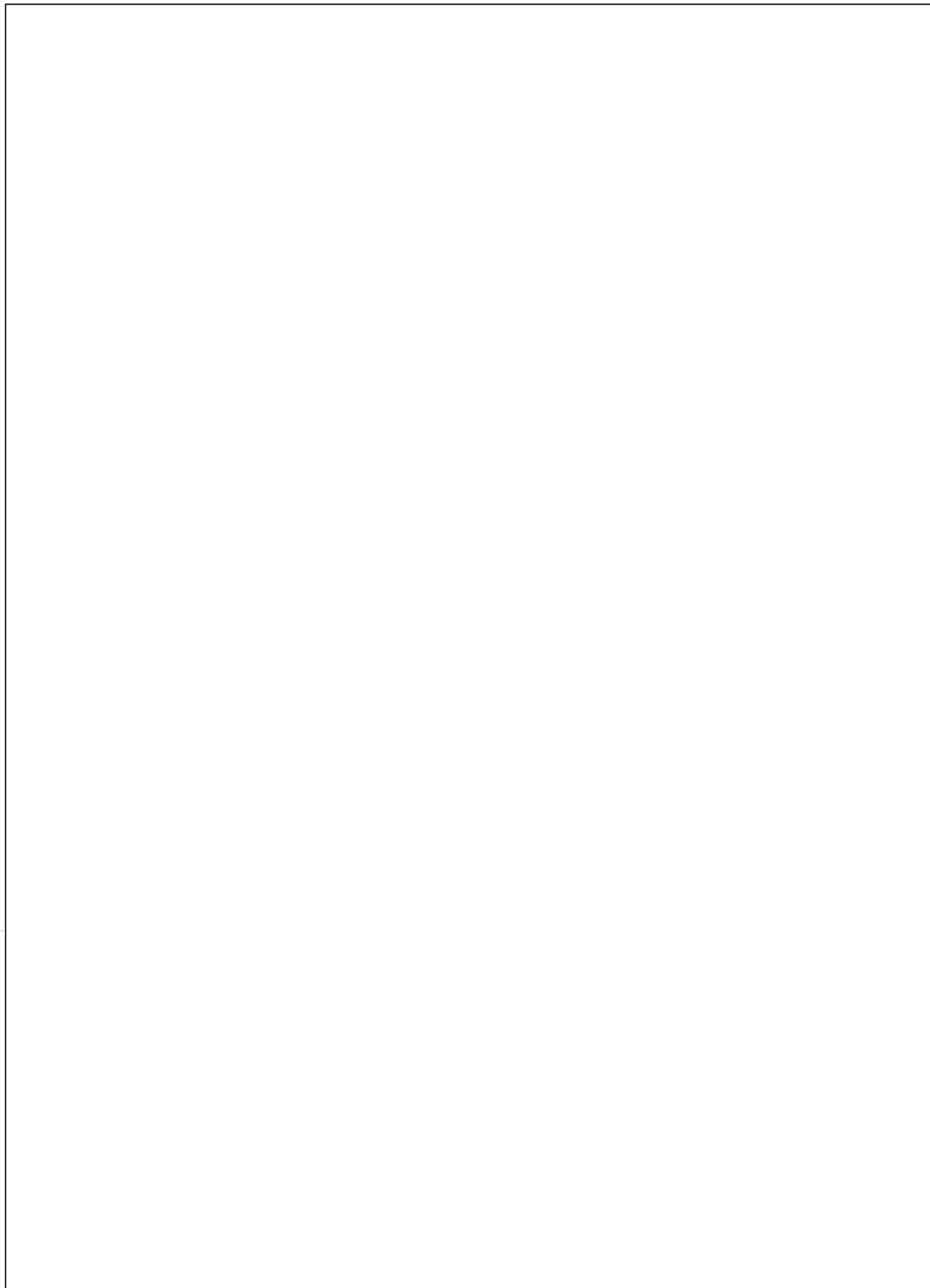
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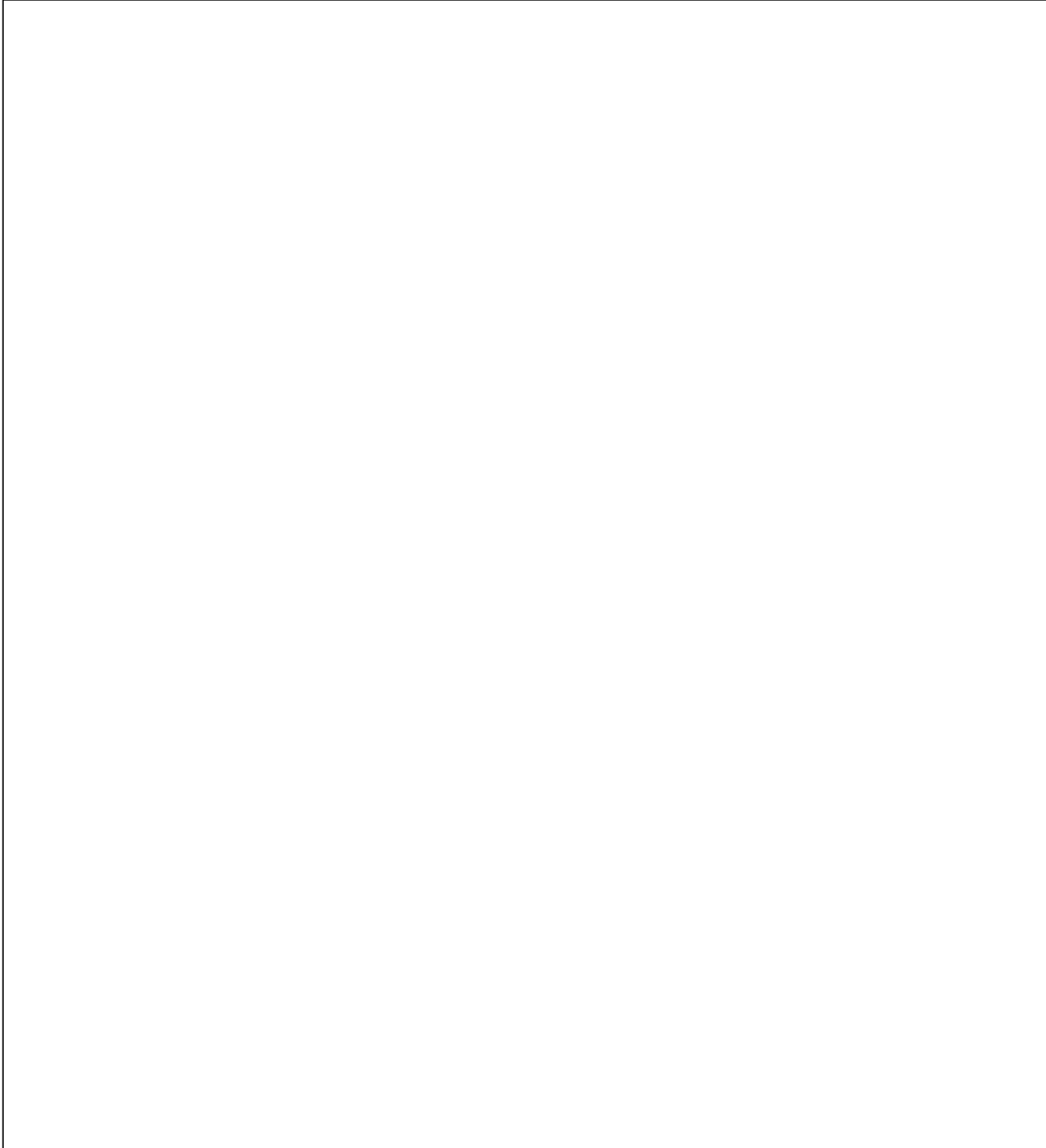
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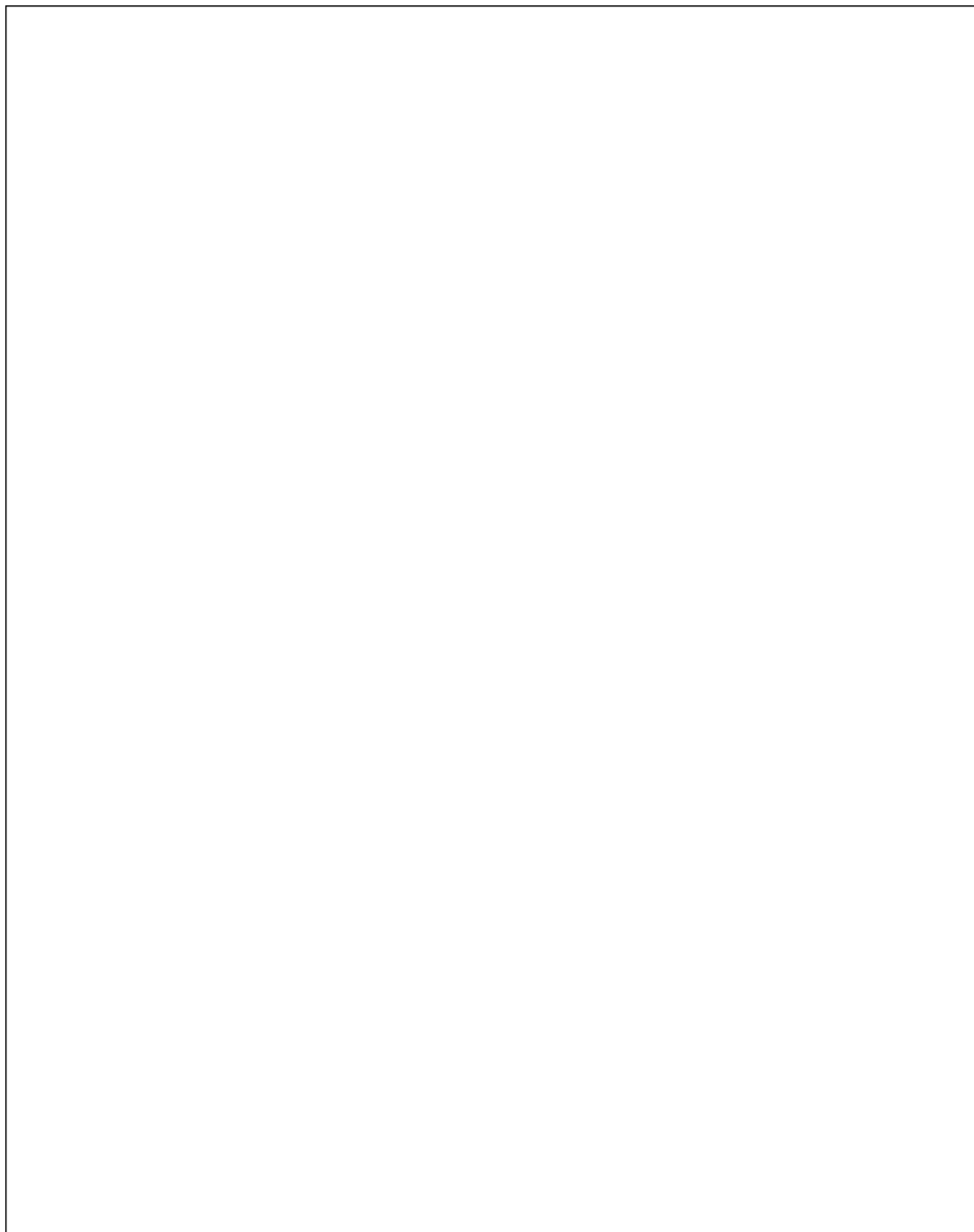
SPECIAL ARTICLES



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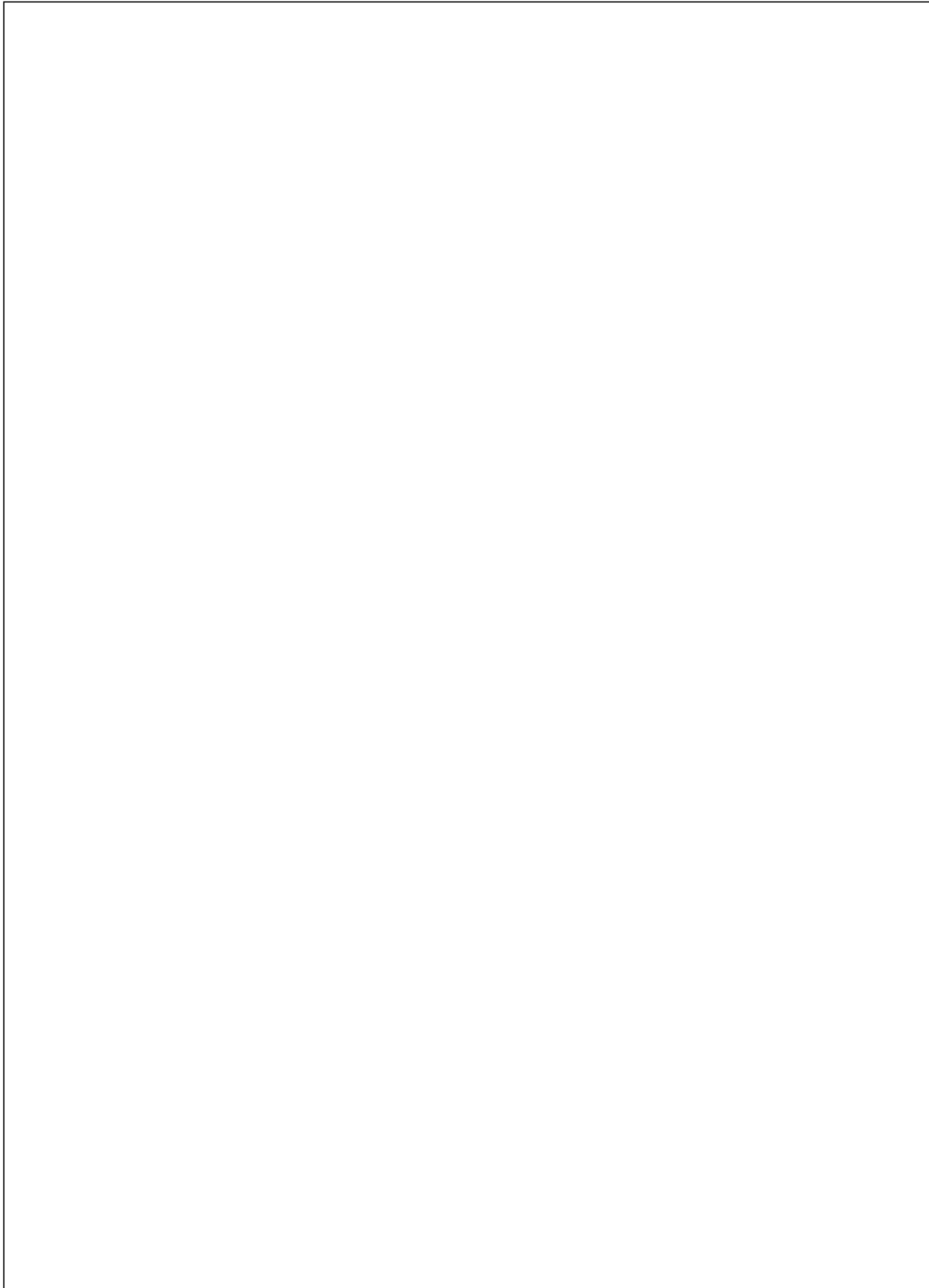
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**AFGHANISTAN'S TIES WITH THE USSR**

Afghan Prime Minister Daud's concern over the Pushtoonistan dispute with Pakistan has led him, despite his awareness of the dangers involved, to rely increasingly on the USSR for economic aid and other forms of assistance. Soviet influence in Afghanistan's military forces and economic development programs is growing, and Kabul's long-standing policy of maintaining a balance between Soviet and Western interests in the country is being undercut.

**The Pushtoonistan Campaign**

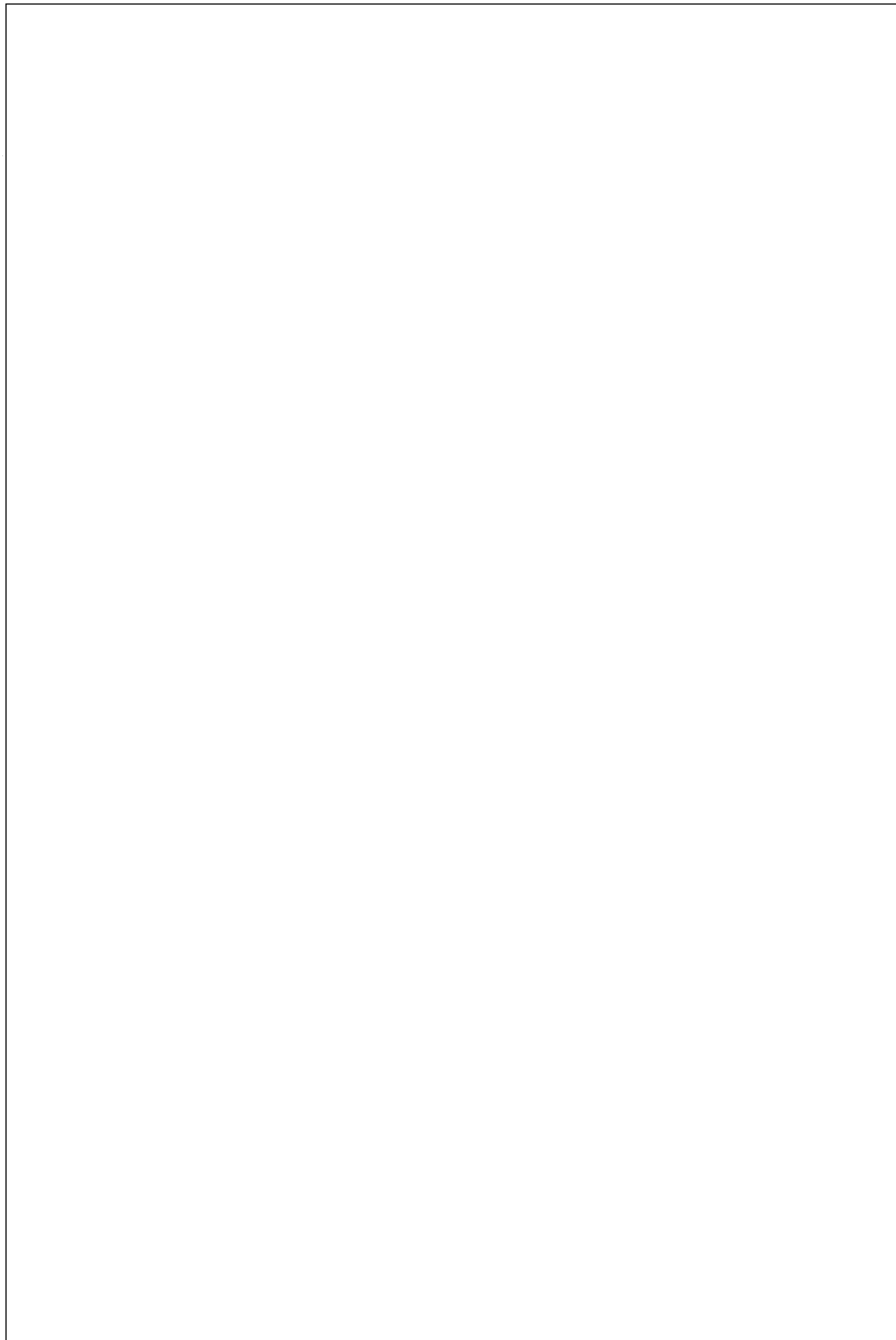
Daud has in the past been tough-minded about serving Afghan national interests, developing the country's military strength and economy by securing as much aid as could be absorbed from both East and West. On the Pushtoonistan question, however, he has shown himself to be emotional and irrational, devoting badly needed energies and resources to a cause that has only scattered tribal support.

The Afghan Government's prestige among the tribes on both sides of the border was seriously damaged in 1960 and 1961 as a result of defeats suffered by the irregular forces it sent into Pakistan in an attempt to develop a strong Pushtoon resistance movement. When Pakistan closed Afghanistan's consulates and trade offices servicing Afghan transit trade in August 1961, Kabul responded the following month by breaking diplomatic relations and closing the border. This move has hurt Afghanistan far more than Pakistan and has further complicated Daud's problem. He now must recognize that he lacks the assets to wage an effective campaign against Pakistan.

Nonetheless, Daud almost certainly has no intention of abandoning the Pushtoonistan campaign. Recent reports indicate that he is considering the establishment of a Pushtoon "government-in-exile." He thus seems to be looking for new methods to keep the dispute



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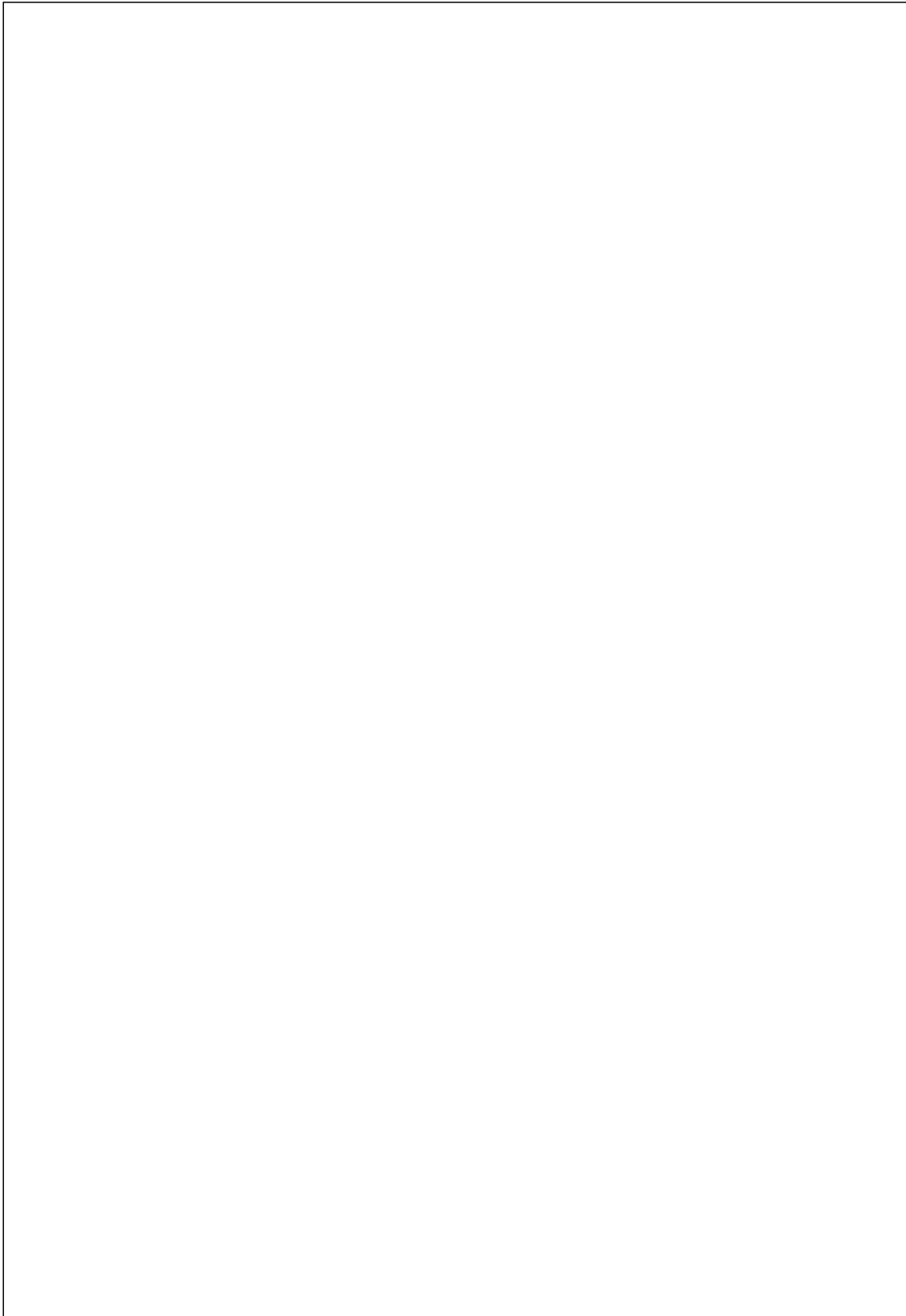
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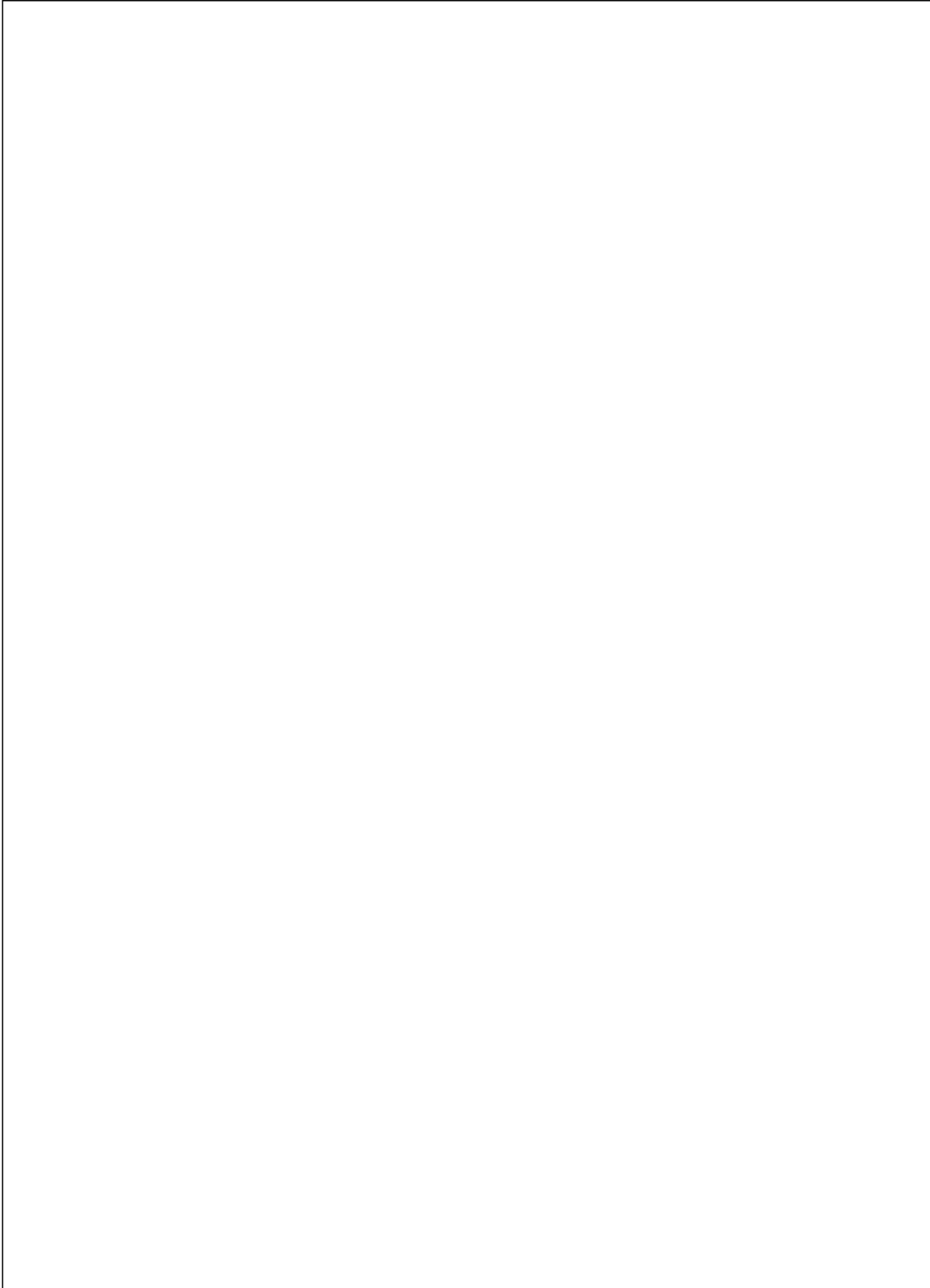


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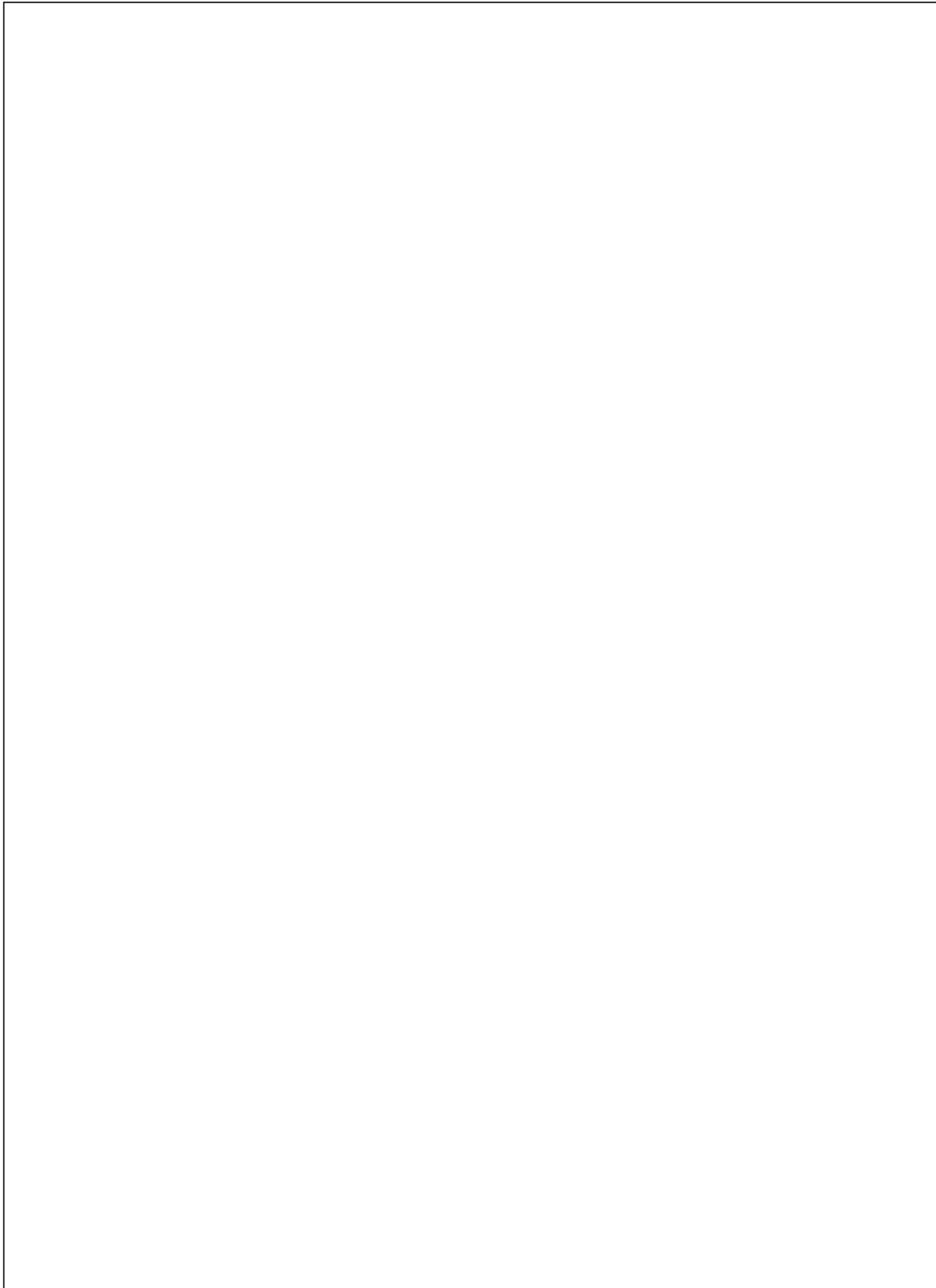
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OTHER INTELLIGENCE ISSUANCES

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